

S- 2/12/02 w/ more/100 Pass
w/ S - 5031

JAN 28 2002

Place On Calendar

HOUSE FILE 2138
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HF 2013)

Passed House, ^(P. 209) Date 1-31-02 Passed Senate, ^(P. 469) Date 3/4/02
Vote: Ayes 90 Nays 0 Vote: Ayes 47 Nays 0
Approved March 29, 2002

Re. Passed 3-19-02
Vote 92-0

A BILL FOR

1 An Act authorizing the college student aid commission to waive or
2 modify statutory or regulatory provisions applicable to state
3 financial aid programs for affected students in the event of a
4 national emergency.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE AMENDMENT TO HOUSE FILE 2138

H-8174

1 Amend House File 2138, as passed by the House, as
2 follows:

3 1. Page 3, by inserting after line 8 the
4 following:

5 "Sec. ____ . RETROACTIVE APPLICABILITY. This Act
6 applies retroactively to September 11, 2001, and is
7 applicable on and after that date."

8 2. Title page, line 4, by inserting after the
9 word "emergency" the following: "and including a
10 retroactive applicability provision".

11 3. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-8174 FILED MARCH 4, 2002

House Concurred 3/19/02 (P. 860)

HF 2138

1 Section 1. NEW SECTION. 261.6 RESPONSE TO NATIONAL
2 EMERGENCY -- WAIVER AUTHORITY.

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 a. "Active duty" means "active duty" as defined in 10
6 U.S.C. § 101(d)(1), except that the term does not include
7 active duty for training or attendance at a service school.

8 b. "Affected individual" means an individual who is
9 serving on active duty during the national emergency; or who
10 resides or is employed in an area that is declared a disaster
11 area by any federal, state, or local official in connection
12 with the national emergency; or who suffered direct economic
13 hardship as a result of the national emergency, as determined
14 under a waiver or modification issued pursuant to this
15 section.

16 c. "Serving on active duty during the national emergency"
17 means any of the following individuals:

18 (1) A reserve of an armed force ordered to active duty
19 under 10 U.S.C. § 12301(a), 12301(g), 12302, 12304, or 12306,
20 or any retired member of an armed force ordered to active duty
21 under 10 U.S.C. § 688, as amended, for service in connection
22 with the emergency or subsequent actions or conditions,
23 regardless of the location at which the active duty service is
24 performed.

25 (2) Any other member of an armed force on active duty in
26 connection with the emergency or subsequent actions or
27 conditions who has been assigned to a duty station at a
28 location other than the location at which the member is
29 normally assigned.

30 2. Notwithstanding any other provision of this chapter, in
31 the event of a national emergency declared by the president of
32 the United States by reason of terrorist attack, the
33 commission may waive or modify any statutory or regulatory
34 provision applicable to state financial aid programs
35 established pursuant to this chapter to ensure, with regard to

1 affected individuals, that the following occurs:

2 a. The financial positions of affected individuals who are
3 state student loan borrowers are not worsened in relation to
4 those loans because of their status as affected individuals.

5 b. Administrative requirements placed on state student
6 loan borrowers are minimized, to the extent possible, without
7 impairing the integrity of the student loan programs, to ease
8 the burden on these borrowers and to avoid inadvertent
9 technical violations or defaults.

10 c. The calculation of "annual adjusted family income" and
11 "available income", as used in the determination of need for
12 student financial assistance under 20 U.S.C. § 1070 et seq.,
13 for affected individuals, or, if applicable, for the spouses
14 or dependents of affected individuals, may be modified to mean
15 the sums received in the first calendar year of the award year
16 for which the determination is made, in order to reflect more
17 accurately the financial condition of the affected individuals
18 or their families.

19 3. Notwithstanding any other provision of this chapter, in
20 the event of a national emergency declared by the president of
21 the United States by reason of terrorist attack, the
22 commission may grant temporary relief from requirements
23 rendered infeasible or unreasonable, including due diligence
24 requirements and reporting deadlines, by the national
25 emergency, to an institution of higher education under the
26 state board of regents, a community college, an accredited
27 private institution as defined in section 261.9, eligible
28 lenders, and other entities participating in the state student
29 assistance programs in accordance with this chapter, that are
30 located in, or whose operations are directly affected by,
31 areas that are declared disaster areas by any federal, state,
32 or local official in connection with the national emergency.
33 If the commission issues a waiver in accordance with this
34 section, the report prepared by the commission pursuant to
section 17A.9A, subsection 5, shall include examples of

1 measures that a postsecondary institution may take in the
2 appropriate exercise of discretion, as provided in 20 U.S.C. §
3 1087tt, to adjust financial need and aid eligibility
4 determinations for affected individuals.

5 4. This section shall not be construed as a requirement
6 that the commission exercise the waiver or modification
7 authority provided pursuant to this section on a case-by-case
8 basis.

9 EXPLANATION

10 This bill authorizes the college student aid commission to
11 waive or modify, for individuals and entities specified in the
12 bill, any statutory or regulatory provision applicable to the
13 state financial aid program in the event of a national
14 emergency declared by the president of the United States by
15 reason of terrorist attack.

16 Under the bill, the waivers or modifications may be issued
17 for "affected individuals", defined as individuals who are
18 serving on active duty during the national emergency; or who
19 reside or are employed in an area declared a disaster area by
20 any federal, state, or local official in connection with the
21 national emergency; or who suffered direct economic hardship
22 as a result of the national emergency. The commission may
23 issue waivers or make modifications to ensure, with regard to
24 affected individuals, that state student loan borrowers are
25 not worsened in relation to those loans, administrative
26 requirements placed on state student loan borrowers are
27 minimized to ease their burdens and avoid inadvertent
28 technical violations or defaults, and the calculations used to
29 determine financial need for affected individuals or their
30 families may be modified to reflect more accurately the
31 financial condition of the affected individuals or the
32 affected individuals' families.

33 The bill also allows the commission to grant temporary
34 relief from requirements rendered infeasible or unreasonable
35 by the national emergency, to postsecondary education

1 institutions, eligible lenders, and other entities
2 participating in the state student assistance programs located
3 in, or whose operations are directly affected by, areas that
4 are declared disaster areas by any federal, state, or local
5 official in connection with the national emergency.

6 The bill does not require that the authority granted the
7 commission be exercised on a case-by-case basis.

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S-5031

1 Amend House File 2138, as passed by the House, as
2 follows:
3 1. Page 3, by inserting after line 8 the
4 following:
5 "Sec. ____ . RETROACTIVE APPLICABILITY. This Act
6 applies retroactively to September 11, 2001, and is
7 applicable on and after that date."
8 2. Title page, line 4, by inserting after the
9 word "emergency" the following: "and including a
10 retroactive applicability provision".
11 3. By renumbering as necessary.

By COMMITTEE ON EDUCATION
NANCY BOETTGER, CHAIRPERSON

S-5031 FILED FEBRUARY 12, 2002

adopted 3/4/02 (p.468)

HOUSE FILE 2138

H-8296

1 Amend the Senate amendment, H-8174, to House File
2 2138, as passed by the House, as follows:
3 1. Page 1, by inserting after line 2 the
4 following:
5 " ____ . Page 1, by inserting before line 1 the
6 following:
7 "Sec. ____ . Section 260C.14, Code Supplement 2001,
8 is amended by adding the following new subsection:
9 NEW SUBSECTION. 20. Adopt a policy to offer the
10 following options, at a minimum, to a student who is a
11 member of the Iowa national guard or reserve forces of
12 the United States and who is ordered to active state
13 service or federal service or duty:
14 a. Receive a grade or an incomplete for a course,
15 or an administrative drop with a full refund, if
16 approved by the instructor.
17 b. Withdraw from all current term courses with a
18 full refund of tuition and fees."
19 ____ . Page 3, by inserting after line 4 the
20 following:
21 "3A. If the commission grants temporary relief to
22 an affected individual in accordance with subsection
23 3, and the individual applies for renewal of
24 eligibility within one year of discharge from active
25 duty, eligibility for state financial assistance shall
26 be reinstated."
27 2. Page 1, by inserting after line 4 the
28 following:
29 ""Sec. ____ . Section 262.9, Code Supplement 2001,
30 is amended by adding the following new subsection:
31 NEW SUBSECTION. 29. Direct the institutions of
32 higher education under its control to adopt a policy
33 to the following options, at a minimum, to a student
34 who is a member of the Iowa national guard or reserve
35 forces of the United States and who is ordered to
36 active state service or federal service or duty:
37 a. Receive a grade or an incomplete for a course,
38 or an administrative drop with a full refund, if
39 approved by the instructor.
40 b. Withdraw from all current term courses with a
41 full refund of tuition and fees.""
42 3. Page 1, by striking lines 8 and 9 and
43 inserting the following:
44 " ____ . Title page, by striking lines 1 through 4
45 and inserting the following: "An Act relating to
46 educational benefits and protections for members and
47 families of Iowa national guard or United States
48 reserve forces during activation for federal service
49 or active state service and including a"."
50 4. By renumbering as necessary.

By WARNSTADT of Woodbury

H-8296 FILED MARCH 14, 2002

w/p
3/19/02 (p. 859)

HOUSE FILE 2138

H-8314

1 Amend the Senate amendment, H-8174, to House File
2 2138, as passed by the House, as follows:
3 1. Page 1, by inserting after line 2 the
4 following:
5 "____. Page 1, by inserting before line 1 the
6 following:
7 "Sec. ____ . Section 260C.14, Code Supplement 2001,
8 is amended by adding the following new subsection:
9 NEW SUBSECTION. 20. Adopt a policy to offer the
10 following options, at a minimum, to a student who is a
11 member of the Iowa national guard or reserve forces of
12 the United States and who is ordered to active state
13 service or federal service or duty:
14 a. Receive a grade or an incomplete for a course,
15 or an administrative drop with a full or prorated
16 refund, if approved by the instructor.
17 b. Withdraw from all current term courses with a
18 full refund of tuition and fees."
19 ____ . Page 3, by inserting after line 4 the
20 following:
21 "3A. If the commission grants temporary relief to
22 an affected individual in accordance with subsection
23 3, and the individual applies for renewal of
24 eligibility within one year of discharge from active
25 duty, eligibility for state financial assistance shall
26 be reinstated."
27 2. Page 1, by inserting after line 4 the
28 following:
29 ""Sec. ____ . Section 262.9, Code Supplement 2001,
30 is amended by adding the following new subsection:
31 NEW SUBSECTION. 29. Direct the institutions of
32 higher education under its control to adopt a policy
33 to the following options, at a minimum, to a student
34 who is a member of the Iowa national guard or reserve
35 forces of the United States and who is ordered to
36 active state service or federal service or duty:
37 a. Receive a grade or an incomplete for a course,
38 or an administrative drop with a full or prorated
39 refund, if approved by the instructor.
40 b. Withdraw from all current term courses with a
41 full refund of tuition and fees."
42 3. Page 1, by striking lines 8 and 9 and
43 inserting the following:
44 "____. Title page, by striking lines 1 through 4
45 and inserting the following: "An Act relating to
46 educational benefits and protections for members and
47 families of Iowa national guard or United States
48 reserve forces during activation for federal service
49 or active state service and including a"."
50 4. By renumbering as necessary.

By WARNSTADT of Woodbury

H-8314 FILED MARCH 18, 2002

Last

3/19/02

(p. 860)

HOUSE FILE 2138

AN ACT

AUTHORIZING THE COLLEGE STUDENT AID COMMISSION TO WAIVE OR MODIFY STATUTORY OR REGULATORY PROVISIONS APPLICABLE TO STATE FINANCIAL AID PROGRAMS FOR AFFECTED STUDENTS IN THE EVENT OF A NATIONAL EMERGENCY AND INCLUDING A RETROACTIVE APPLICABILITY PROVISION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 261.6 RESPONSE TO NATIONAL EMERGENCY -- WAIVER AUTHORITY.

1. For purposes of this section, unless the context otherwise requires:
 - a. "Active duty" means "active duty" as defined in 10 U.S.C. § 101(d)(1), except that the term does not include active duty for training or attendance at a service school.
 - b. "Affected individual" means an individual who is serving on active duty during the national emergency; or who

resides or is employed in an area that is declared a disaster area by any federal, state, or local official in connection with the national emergency; or who suffered direct economic hardship as a result of the national emergency, as determined under a waiver or modification issued pursuant to this section.

c. "Serving on active duty during the national emergency" means any of the following individuals:

- (1) A reserve of an armed force ordered to active duty under 10 U.S.C. § 12301(a), 12301(g), 12302, 12304, or 12306, or any retired member of an armed force ordered to active duty under 10 U.S.C. § 688, as amended, for service in connection with the emergency or subsequent actions or conditions, regardless of the location at which the active duty service is performed.

- (2) Any other member of an armed force on active duty in connection with the emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which the member is normally assigned.

2. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may waive or modify any statutory or regulatory provision applicable to state financial aid programs established pursuant to this chapter to ensure, with regard to affected individuals, that the following occurs:

- a. The financial positions of affected individuals who are state student loan borrowers are not worsened in relation to those loans because of their status as affected individuals.

- b. Administrative requirements placed on state student loan borrowers are minimized, to the extent possible, without impairing the integrity of the student loan programs, to ease the burden on these borrowers and to avoid inadvertent technical violations or defaults.

c. The calculation of "annual adjusted family income" and "available income", as used in the determination of need for student financial assistance under 20 U.S.C. § 1070 et seq., for affected individuals, or, if applicable, for the spouses or dependents of affected individuals, may be modified to mean the sums received in the first calendar year of the award year for which the determination is made, in order to reflect more accurately the financial condition of the affected individuals or their families.

3. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may grant temporary relief from requirements rendered infeasible or unreasonable, including due diligence requirements and reporting deadlines, by the national emergency, to an institution of higher education under the state board of regents, a community college, an accredited private institution as defined in section 261.9, eligible lenders, and other entities participating in the state student assistance programs in accordance with this chapter, that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any federal, state, or local official in connection with the national emergency. If the commission issues a waiver in accordance with this section, the report prepared by the commission pursuant to section 17A.9A, subsection 5, shall include examples of measures that a postsecondary institution may take in the appropriate exercise of discretion, as provided in 20 U.S.C. § 1087tt, to adjust financial need and aid eligibility determinations for affected individuals.

4. This section shall not be construed as a requirement that the commission exercise the waiver or modification authority provided pursuant to this section on a case-by-case basis.

Sec. 2. RETROACTIVE APPLICABILITY. This Act applies retroactively to September 11, 2001, and is applicable on and after that date.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2138, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved March 29, 2002

THOMAS J. VILSACK
Governor